



SECOND ANNUAL  
**DOD ACQUISITION INSIGHT DAYS**  
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# **Air Force Acquisition Challenges**

**Lt Gen Mark D. Shackelford**

Principal Military Deputy to the Asst  
Secretary of the Air Force for Acquisition

# ***Headquarters U.S. Air Force***

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## **DoD Acquisition Insight Days**

***Air Force Acquisition Challenges***



**Lt Gen Mark Shackelford  
Military Deputy, Office of the Assistant  
Secretary  
of the Air Force (Acquisition)**

**22 Apr 09**

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# ***The State of Acquisition***

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- **President Obama on Presidential helicopter -- “...I think it is an example of the procurement process gone amok. And we're going to have to fix it.” (24 Feb 09)**
- **Secretary Gates “...we must reform how and what we buy, meaning a fundamental overhaul of our approach to procurement, acquisition, and contracting.” (6 Apr 09)**
- **Sen. John McCain, R-Ariz., on procurement cost overruns -- “We have to make some tough decisions about not only what we procure, but how we procure it.” (24 Feb 09)**
- **Sen. Carl Levin, D-Mich. -- “We are going to do everything we can legislatively to put an end to these horrific cost overruns that we have seen.” (21 Feb 09)**



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# ***Progress to Date***

- **SAF/AQ internal assessment and actions (Jul - Dec 08)**
  - **New training for Source Selection teams**
  - **New Source Selection governance policies**
  - **Approved long-term plan to recapitalize acquisition workforce**
  
- **SECAF directed, independent assessment by Center for Naval Analyses (CNA)**
  - **19 of 24 recommendations are accepted and included in current efforts to improve AF acquisition**
  - **The remaining recommendations need further study before we act**



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# USAF Flight Path

## Air Force 2008-2010 Strategic Plan

- *Reinvigorate AF Nuclear Enterprise*
- *Win Today's Fight*
- *Develop & Care for Airmen & Families*
- *Modernizing Aging Air & Space Inventories*
- **Recapture Acquisition Excellence**



- **Recapture Acquisition Excellence:**
  - **Revitalize the Air Force acquisition workforce**
  - **Improve requirements generation process**
  - **Instill budget and financial discipline**
  - **Improve Air Force major systems source selections**
  - **Establish clear lines of authority and accountability within acquisition organizations**

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# ***The State of the Workforce***

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- **AF acquisition leadership is under-qualified**
  - **40% don't meet qualifications (Critical Acquisition Positions & Key Leadership Positions)**
  
- **Acquisition workforce has slowly atrophied**
  - **Organic workforce down 23% since 1999**
  
- **Decreasing government expertise in:**
  - **Cost estimators, systems engineers & contracting officers**
  
- **Vacancy rates are approaching 10%**



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# ***Revitalize the AF Acq Workforce***

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- **Fill the vacancies!**
  - **Exploit newly delegated expedited hiring authority for civilians**
  - **Adjust manning priority for civilians and military**
- **Increase & fund authorizations, 2000+ new positions**
  - **Officers, Enlisted, and Civilians**
- **Increase overall training & recruitment with NDAA 09 Section 852 funds**
  - **Focused functional training & career path development**
- **Examine and assess the necessary workforce**
  - **Mix of military, civilian, and contractor support**
  - **Mix of SES and GO leadership**



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# ***The State of Requirements***

- **Requirements unnecessarily complicate effective source selections**
  - **Too many KPPs and derived requirements to evaluate**
  - **No prioritization to support block strategy or tradeoff decisions**
  - **Poor or ambiguous definitions**
  - **Unmeasurable and/or unevaluable requirements**
- **Req'ts don't support efficient weapon system development**
  - **Poor process for trading requirements/performance with cost and schedule**
  - **KPP definition: Is it a go/no-go or not?**
  - **Requirements creep over lengthy development phase**

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# ***Improve Requirements Generation***

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- **Get the acquisition workforce involved early!**
  - **Inform users of technical feasibility & testability**
  - **Insure req'ts are measurable & evaluable in source selection**
  - **SAE & AFMC/CC certify AF requirements in conjunction with AFROCC**
- **Require incremental acquisition strategies - Block development**
- **Simplify and minimize KPPs & other requirements**
- **Stop changing requirements during development**
  - **Freeze program requirements at contract award**
  - **Changes must be approved by MAJCOM & CSAF**

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***I n t e g r i t y - S e r v i c e - E x c e l l e n c e***



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# ***The State of Budgets & Finance***

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- **Too many programs chasing too few dollars**
- **Baselines set too low, resulting in regular Nunn-McCurdy's**
- **Unstable funding - up/down, faster/slower**
  - **Programs defined by available budget**
- **Unwilling to terminate programs**
- **Escalating contractor overhead and profit**
- **Decreasing government expertise in:**
  - **Cost estimating**
  - **Contractor earned value management**



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# ***Budget & Financial Discipline***

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- **Set realistic program baselines (cost, schedule & performance)**
    - **Baseline after PDR**
    - **Increase cost estimate confidence level**
  - **Stabilize program funding**
    - **Increase SAE influence over program budget adjustments**
  - **Assess contractor costs**
    - **Control rising overhead rates**
    - **Ensure profits match risk and performance**
  - **Get back to Earned Value Management**
    - **Make sure the contractors provide the data**
    - **Make sure the government uses it effectively**
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# ***The State of Source Selections***

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- **High stakes, high visibility game for very few MDAPs**
  - **Contractors plan their protest in parallel with their proposal**
- **Too many decisions overturned, too many mistakes made**
  - **GAO overturned KC-X and CSAR-X decisions**
- **Poor understanding of complex process**
  - **Lack of expertise**
  - **Inadequate training**
  - **Too complex - Source selection has evolved and grown**
- **David vs Goliath**
  - **Contractors spare no expense and hire “Top Guns” to prepare their proposals and protests**
  - **Gov’t plays a pick up game**

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# ***Improve Source Selections***

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- **Improve AF source selection evaluation teams (SSETs)**
  - **SAE & Chief of Contracting approval of SSET leadership**
  - **Pick individuals with previous SSET experience**
  - **Improve training and make it mandatory**
- **Make AF “Top Guns” available**
  - **Establish cadre of source selection experts**
  - **Employ new review teams providing extra eyes on the process**
  - **Provide on-call augmentation**
- **Develop realistic schedules that are event driven**
- **Review and improve early acquisition planning (pre MS-B)**

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■ **Improve RFP generation and source selection completion**

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# ***The State of our Organizations***

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- **Wings, Groups & Squadrons**
    - Looks like the rest of the AF, but not really
    - Role of Wing Commander is not consistent
    - Decreased functional leadership, leading to decreased mentoring and functional development/training
  - **PEOs**
    - Four PEOs for all AF weapons (plus one PEO for JSF)
    - PEOs dual-hatted as product center commanders
  - **Program Managers**
    - Inconsistent level of command (Wing/CC, Group/CC, Sq/CC)
    - **No GOs & few SESSs, even for MDAPs**
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# ***Improve Acquisition Organizations***

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- **Reassess the Wing / Group / Squadron structure**
  - **Standardize Wing commander role**
  - **Rename for clarity (i.e. KC-X Group)**
  - **Resize to fit AF standards for wings, groups & squadrons**
- **Reassess & improve functional leadership**
  - **Strengthen mentorship**
  - **Provide training, make it mandatory**
- **Reassess and improve PEO construct**
  - **More PEOs?**
  - **Deputy PEOs?**
  - **Dual-hatted?**
- **Assign 1-star/SES as PEO or Program Directors of**  
**highest priority acquisition programs (e.g. KC-X, ECSS**  
**& others)**

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# ***Where We Want to be...***

## **Our Vision:**

- **War-winning capabilities ...on time,  
on cost**



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